



CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
APRIL 22, 2019

Advocacy and Health Policy:

Federal:

- The NACHC Policy and Issues Forum was held in Washington DC March 27-31, 2019. Along with Board member Abby Banks, consultant Rudy Williams, team members Brooke Holloway and Rachel Davis, I attended P&I on behalf of CHC. We made Hill visits to the offices of Senator Graham, Senator Scott, Congressman James Clyburn, and Congressman Jeff Duncan. Areas of focus for the Hill visits are outlined on the NACHC 2019 Policy Papers (uploaded to the Board portal) and include stable 5-year funding for the Community Health Center Program and the National Health Service Corp. Other topics covered during Hill visits included maintaining the integrity of Medicaid and of the 340B Drug Pricing program.
- 340B Drug Pricing Program: The ongoing threats to the 340B program were front and center at the NACHC P&I and reported on at every committee. As chair, I facilitated a meeting of the 340B Work Group, which resulted in a formal recommendation to the Health Policy Committee of the NACHC Board of Directors calling for the formation of a comprehensive national strategy to address the threats. In response to this recommendation, NACHC leadership has convened a 340B Strategy Advisory Council comprised of 12 individuals considered to be thought leaders on this issue. I am honored to have been asked to serve on this Advisory Council.

State:

- This session of the General Assembly is abbreviated with an expected May 13, 2019 adjournment. Funding for the health centers remains in the budget, though at a significantly reduced amount than prior years.
- The SCPHCA 340B Work Group has moved toward state level action to address the threat of discriminatory reimbursement. The SC Senate has approved a bill to address non-competitive practices of pharmacy benefit managers (PBM) – S.359 – which includes two clauses of significant benefit to health center 340B pharmacies that are outlined below. The 340B Work Group has recommended that the SCPHCA and its members strongly advocate for the passage of S.359, while also introducing a budget proviso that specifically forbids discriminatory practices against 340B covered entities for 1-year. The plan is once S.359 is in place we would work toward an amendment next session that specifies non-discrimination against 340B covered entities.

- The first states that a PBM may not “engage, with the express intent or purpose of driving out competition or financially injuring competitors, in a pattern or practice of reimbursing independent pharmacies or pharmacists in this State consistently less than the amount that the pharmacy benefits manager reimburses a pharmacy benefits manager affiliate for providing the same pharmacist services.” Though it does not specifically reference 340B, this clause provides a reasonable argument against discriminatory reimbursement.
- The second states that a PBM cannot require a pharmacy to collect from an insured patient a copayment that is greater than the amount the individual would pay for a prescription if that individual was paying cash. This clause provides support for the health center practice of reducing co-pays to the lower sliding fee price for eligible patients.

CHC Staff and Leadership Development Activities:

- Leadership team has met throughout the month for ongoing agenda items, OSV prep, and monitoring of the organizational performance improvement plan.
- Brooke Holloway and I met with legal counsel for the purpose of continuing to develop our Compliance Plan and supporting organizational infrastructure.
- In response to discussion at the March meeting of the Board of Directors, a meeting with the Director of Early Childhood services is scheduled for April 23, 2019. During this meeting we will be evaluating the integration and alignment of services, as well as communication and coordination within the organization to determine the most effective organizational reporting structure.
- Facilitated and closed two employee grievances.

Strategic and Operational Activities

- Department of Pharmacy: No specific activity to report.
- Department of Family Medicine: No specific activity to report.
- Department of Pediatrics:
 - We unexpectedly have a large pool of candidates for our vacant pediatrician position. I was notified by the leadership of the Laurens campus of Prisma Health (formerly GHS/Laurens County Memorial Hospital) that Bon Secours (formerly St. Francis) Health System has announced the closure of their pediatric practices. Within that following week, we received job applications from 4 of the 7 pediatricians who will be displaced. Our recruiting team has been conducting initial phone interviews and we will be considering the most viable candidates for existing vacancies, while considering opportunities for expansion.
 - Held a face-to-face interview with a pediatrician who has been practicing in Laurel, MS but has ties to the area and is interested in returning as her daughter is starting Clemson University. This candidate is considered for our vacancy at Hometown

Pediatrics. Interview went very well, references are stellar, and we will be conducting follow-up over the next week.

- **Behavioral Health:**
 - HRSA announced the next phase of their \$544 million investment in SUD and mental Health Expansion. The 2019 Integrated Behavioral Health Services (IBHS) grant will provide \$145,000 in one-time funding with the goal of increasing SUD/BH visits as tracked on the UDS. This is a non-competitive, supplemental grant with ongoing funding contingent upon meeting project goals and continued appropriations. The leadership team has evaluated the grant guidance and proposes to hire 1 FTE to provide direct clinical services as well as administrative support for the coordination and enhanced integration of our existing SUD/BH services. Board approval to be requested under New Business.
- **CIMS:**
 - QTR1 FY 2019 distribution has been received. No other specific activity to report.
- **SCPHCA:**
 - The 2019 Clinical Retreat of the SCPHCA is scheduled for June 7-9, 2109 in Myrtle Beach. CHC's site manager for McCormick Family Practice, Tim Bookert has been selected as a speaker for the retreat.
 - I am serving on the planning committee for the 2019 Annual Conference and Board Governance Training. We held our first meeting last week and more information will be forthcoming as plans develop.

Consulting:

- Consulting engagement completed:
 - 340B Module for 2019 NACHC CFO Institute in March, 2019 (conducted as webinar). Consulting fee = \$500
- Consulting engagements in progress:
 - Under contract with 340B Health for the design and coordination of two CHC Expert Sessions for the 340B Coalition 2019 Summer Conference. Consulting fee = \$5,000 plus waiver of \$1,000 conference registration.
 - To date session topics have been identified and session descriptions with specific objectives submitted prior to the contract deadline.
 - The date and location of the meeting is July 15-17, 2019 in Washington, D.C.
- Consulting agreements pending:
 - Working with the Pennsylvania Association of Community Health Centers to develop a comprehensive statewide 340B training program that will consist of several topic specific webinars and conclude with a face-to-face capstone summit in January 2020. Terms still being negotiated.

Miscellaneous CEO Activity:

No miscellaneous activity to report.

Report of travel and personal time in March/April 2019

Business travel:

- March 26 - 31, 2019 – Washington, DC for NACHC Policy and Issues Forum.
- April 3, 2019 – Columbia, SC for CIMS meeting with new leadership of SC Wellcare

Personal Time:

Annual leave:

No annual leave taken.

Annual leave requested for Thursday and Friday, April 25-26, 2019

Sick leave:

Week of April 1 -14 2019 total of 4 hours

If you have any questions or would like additional information on any of the above my contact information is as follows: sveer@carolinahealthcenters.org or 864-554-7102